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CORRECTION ISSUED 7/23/59 6:08 a.m.

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Rec'd: July 20, 1959 9:21 a.m.

FROM: Benghazi - CORRECTED PAGE 1

TO: Secretary of State

NO: 37, July 18, 1 p.m.

SENT DEPARTMENT 37; REPEATED INFORMATION TRIPOLI 44, CAIRO, TUNIS UNNUMBERED

Our 8.

Called on Prime Minister Beida July 16. In response my query, he said Parliament which had not yet formally adjourned would reconvene Benghazi July 20 to complete unfinished business. Between Senate and Lower House he estimated possibly two weeks legislative activity, with final adjournment date approximately August 5. Federal Cabinet Ministers, who are all at residence Beida, plan to be present Benghazi only for plenary sessions. Subsequently this Parliament, elected 1956, will be formally dissolved by royal decree to permit national elections this fall and opening new Parliament prior to December 10.

Draft law creating new council for economic development is now working and will be submitted to this Parliament for approval prior its adjournment.

In response my query, Kubar said he did not anticipate any controversial issues this short session of Parliament, although could not predict what unforeseen issues Parliamentarians might raise, such as present status Libyan-American negotiations regarding base agreement. I took this opportunity point out that Kubar's record of achievement with respect to US financial and economic assistance this year was one of which he need not be ashamed. Told him I had made informal computation and that total was quite impressive.

Then proceed to list following: cash grant and LARC projects $10 million; economic development projects $9 million; DLF for Tripoli power plant $5 million

Correction made by R/MR

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-2-37, July 18, 1 p.m., from Benghazi

$5 million; wheat and fodder under PL 480, title II, $4 million; technical assistance $2.6 million; Wheelus access road $1 million; total $31.6 million, or something over 11 million Libyan pounds.

Prime Minister replied by referring to 40 million dollar aid received by Tunisia this year. I disabused him of this by explaining newspaper report in error and that true figure was one-half that quoted (see reference telegram). He asked how much we had given Egypt this year and referred to resumption "Point Four" program that country. I explained we were merely completing a resettlement project in delta which had been initiated before Suez crisis. Beyond this we have sold some surplus wheat to UAR (not gift wheat such as Libya was receiving) and approved loan (not grant aid) from Export-Import Bank.

While Kubar would not admit to me, I believe he was also impressed by recitation of various US contributions to Libyan economy, particularly at dollar costs of relief grain at world market prices and at over-all total of what Libya had received from US this year. In any event, he may find these figures useful if he has to defend himself before Parliament on lack of progress to date in US-Libyan negotiations.

JONES

MMC:LM-5

(#)Omission. Correction to follow.

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